



DEPARTMENT OF THE NAVY
NAVAL SUPPLY SYSTEMS COMMAND
WASHINGTON, D.C. 20376

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NAVSUP INSTRUCTION 4200.82B

Subj: PROCUREMENT MANAGEMENT REVIEW PROGRAM OF THE NAVY FIELD
CONTRACTING SYSTEM

Ref: (a) NAPS 5201.692
(b) NAVSUPINST 4200.85C Chapter 6A

1. Purpose. To provide guidance and outline responsibilities regarding the Procurement Management Review (PMR) Program of the Navy Field Contracting System (NFCS) in accordance with reference (a). This instruction has extensive changes and should be read in its entirety.

2. Cancellation. NAVSUPINST 4200.82A

3. Scope. This instruction applies to contracting offices of the NFCS receiving contracting authority and direction from the Commander, Naval Supply Systems Command (NAVSUP). It also applies to activities receiving authority to use the Government-wide Commercial Purchase Card Program, herein after known as the Purchase Card Program, from NAVSUP.

4. Definitions

a. "Field Procurement Management Review (PMR) Staff". The organization within Fleet and Industrial Supply Centers, San Diego and Norfolk, and Naval Regional Contracting Centers, Naples and Singapore that provides oversight and guidance to the activities with less than unlimited authority within their geographic region. This includes the offices located at Fleet and Industrial Supply Center, Oakland and Puget Sound, and the Philadelphia Detachment and Charleston office of Fleet and Industrial Supply Center, Norfolk.

b. "PMR Regions" are geographical areas supported by the field cognizant PMR staff. These are further defined as:

FISC Norfolk Areas East of the Mississippi River (except Wisconsin); Puerto Rico; Central America; South America; and Metropolitan New Orleans.

FISC San Diego Areas West of the Mississippi River (except metropolitan New Orleans); Alaska; all activities located in Hawaii; and Wisconsin.

NRCC Naples	All of Europe; Africa; and the Middle East.
NRCC Singapore	All activities from the Indian Ocean to those in the Pacific Ocean (except for the Hawaiian Islands).

c. "Purchase Card Program" refers to the Government-wide Commercial Purchase Card Program described under chapter 6A of NAVSUPINST 4200.85.

5. Background. This instruction is provided to implement and supplement the Navy Acquisition Procedures Supplement (NAPS), the Department of Defense Federal Acquisition Regulation Supplement (DFARS) and the Federal Acquisition Regulation (FAR) and is based on the Department of Defense (DOD) Inspection program.

6. Implementation. The Department of the Navy (DON) PMR Program has been established by the Commander, NAVSUP as the basic method by which the procurement operations of all NFCS activities are to be uniformly and comprehensively reviewed, assessed and reported. This is accomplished by assigning PMR responsibility to NAVSUP Field PMR Staff to provide for the Head of Contracting Activity (HCA) review and oversight of the NFCS activities and purchase card activities under their cognizance.

7. PMR Program Objectives. The primary objective of the program is to provide an overall assessment of the activity's procurement process to ensure the function is meeting mission requirements, following regulatory guidance and preserving the integrity of the contracting process. The PMR Program is responsible for the following:

a. Ensuring that the contracting function is being performed in accordance with applicable procurement regulations and ensuring the integrity of business decisions;

b. Providing recommendations, where applicable, to assist the command in meeting mission requirements and responding effectively to customer requirements;

c. Identifying systemic problems within the NFCS and recommending solutions and improvements to the procurement process to better enable activities to perform their contracting function;

d. Ensuring that the delegated contracting authority is appropriate to the requirements of the activity in terms of dollar value and volume of actions processed;

e. Reviewing contracting officers' warrants and training requirements for compliance with DAWIA; and

f. Providing training to NFCS activities in accordance with DOD and DAWIA career development training policies and requirements.

8. PMR Cycles

a. Headquarters PMRs. PMRs by NAVSUP Headquarters are conducted on a three year cycle and are coordinated with NAVSUP Inspector General (IG) Command Inspections of NAVSUP activities to the maximum extent practicable.

b. Field PMR Staff. PMRs by Field PMR Staff are generally conducted on a three year cycle. The Naval Reserve Readiness Commands (NAVRESREDCOM) reviews shall be conducted annually. Activities limited to the Purchase Card Program shall be reviewed six months from inception of the program and on an annual cycle thereafter.

9. PMR Areas of Review. In order to properly assess the capability of the contracting activity to perform its contracting function, the following areas at a minimum, should be included in the review as applicable to the activity's authority. This list is not intended to be all inclusive:

- a. Local Contracting Policies and Procedures
- b. Contract Review Board Process
- c. Legal Review Process
- d. Acquisition Planning
- e. Command Competition Program
- f. Justification and Approval Process
- g. Contract Clauses
- h. Source Selection Process
- i. Contractor Responsibility
- j. Pricing
- k. Administration of Service Contracts
- l. Simplified Acquisition
- m. Management of the Contracting Function
- n. Training - Mandatory and In-House
- o. Special Interest Items

- p. Small Business Program
- q. Purchase Card Procedures

10. PMR Results. One of the following ratings shall be assigned to an activity based on the results of its PMR:

- a. SATISFACTORY RATING
- b. MARGINAL RATING

(1) A Marginal rating may result in one of the following actions relative to an activity's procurement authority.

(a) SUSPENSION. Authority is withdrawn until deficiencies are corrected. Either a contracting officer, generally from a Field PMR Staff, is assigned to the suspended activity to manage the contracting function on-site and to oversee the correction of deficiencies or the suspended activity's requirements are met by another contracting activity during the suspension period.

(b) ADJUSTMENT. Authority may be suspended with a subsequent reduction in the authority level and/or procurement support assigned to another activity.

(2) Only the Commander NAVSUP, the HCA, can determine, as a result of a PMR, whether a marginal rating is assigned to an activity.

(3) A PMR follow-up will normally be conducted six months from the date the formal PMR report was issued.

(4) There is no marginal rating assigned to a follow-up marginal review. In order for a Satisfactory rating to be assigned, substantial improvement must be shown in all deficient areas. Failure to demonstrate substantial improvement will result in an unsatisfactory rating and the revocation of procurement authority.

- c. UNSATISFACTORY RATING

(1) An unsatisfactory rating will result in one of the following actions relative to an activity's procurement authority.

(a) REVOCATION. Authority is permanently removed with procurement support assigned to another activity.

(b) SUSPENSION. Authority is withdrawn until deficiencies are corrected. Either a contracting officer, generally from a Field PMR Staff, is assigned to the suspended activity to manage the contracting function on-site and to oversee the correction of deficiencies or suspended activity's

requirements are met by another contracting activity during suspension period.

(2) Only the Commander NAVSUP, the HCA, can determine, as a result of a PMR, whether an unsatisfactory rating is assigned to an activity.

(3) A PMR follow-up will normally be conducted 60 days from the date the formal PMR Report was issued. Another PMR follow-up will be completed within six months from the date the procurement authority is restored.

11. Funding Assist Visits for Unsatisfactory/Marginal Ratings. Activities are required to fund all costs (i.e. travel and per diem) associated with assist visits required to provide training, management assistance and oversight to correct deficiencies and provide procurement support in the event procurement authority is suspended.

12. Purchase Card Program Review. The following is applicable to those activities whose contracting authority is limited to exercising the purchase card method of procurement in accordance with reference (b). These activities will have their program reviewed annually via a PMR desk review of the annual Agency Program Coordinator (APC) report. The annual APC report will contain the following information to facilitate an overall assessment of the program: current internal operating procedures; identification of specific problem areas and corrective actions taken; any administrative or disciplinary action taken due to non-compliance with GSA contract, NAVSUPINST 4200.85C or internal operating procedures; the total number of cardholders and Approving Officials (AOs); copies of all semi-annual internal reviews, number of cardholders and AOs reviewed and the number and dollar value of transactions processed during the reporting period. Based on their review of the APC report, the Field PMR Staff shall assign a rating of "Acceptable" or make a determination that an on-site PMR is necessary. Investigations into criminal acts or hotline complaints as concerns the Purchase Card Program may also result in an on-site PMR. The Field PMR Staff can assign the following ratings during an on-site PMR of a Purchase Card Program.

a. ACCEPTABLE RATING. The on-site PMR determined that the Purchase Card Program is being managed effectively.

b. UNACCEPTABLE RATING

(1) The on-site PMR determined that the Purchase Card Program is not being managed effectively. Depending upon the deficiencies noted during the on-site PMR, an activity may be rated as unacceptable. An unacceptable rating by a Field PMR Staff will require corrective action be demonstrated within 60 days. Failure to effectively demonstrate sufficient improvement may result in revocation.

(2) Any revocations of authority shall be approved by NAVSUP 02.

13. PMR Mission Performance Responsibilities

PMR Staff are responsible for providing professional contracting management advice, guidance and oversight, granting contracting authority and providing training to activities within a designated geographical region. Specifically responsibilities include the following:

(a) NAVSUP 02 shall:

(1) Schedule and conduct PMRs of FISC Norfolk and its Detachments; FISC San Diego and its Detachments; NRCC Naples and its Detachments; FISC Pearl; FISC Yokosuka; FISC Guam; FISC Jacksonville; Naval Inventory Control Point; FISC Puget Sound; NRCC Singapore; and NEXCOM.

(2) Review Quarterly PMR Reports received from the Field PMR Staff.

(3) Prepare Annual Reports to ASN on PMRs conducted by NAVSUP and Field PMR Staff.

(4) Coordinate all proposed Marginal and Unsatisfactory PMR Ratings for Commander NAVSUP, HCA, approval.

(5) Approve all proposed revocations of purchase card authority.

(b) Field PMR Staff shall:

(1) Schedule PMRs for activities in their respective regions. NRCC Naples and Singapore shall schedule and conduct PMRs of all activities in their respective regions with the exception of FISC Yokosuka and FISC Guam; FISCs San Diego and Norfolk shall schedule and conduct PMRs of all activities within their respective regions with open market procurement authority less than unlimited and unlimited activities as assigned by NAVSUP.

(2) Assist Headquarters and NAVSUP IG, as required, in the performance of PMRs and Command Inspections conducted by NAVSUP Headquarters.

(3) Assist Fleet Type Commanders in conducting purchase reviews when requested.

(4) Submit Quarterly Reports to SUP 02 by the 15th day of the month following the end of each quarter. These reports shall provide:

(a) The number of PMRs accomplished with those receiving a marginal or unsatisfactory rating being specifically identified;

(b) The status of previously marginal or suspended activities; and

(c) A statistical analysis of significant findings which provides the following information as a minimum:

1) Number of PMRs conducted during the period;

2) The number of times a finding determined to be significant appeared;

3) The percentage of PMRs which had the finding; and

4) A cumulative summary, year-to-date, of the significant findings.

(d) Purchase Card Annual Reviews. In regard to purchase card annual reviews the quarterly PMR reports shall include:

1) The number of annual purchase card reviews conducted during the period;

2) The number of on-site PMR reviews conducted;

3) The number of unacceptable on-site PMR ratings;

4) The status of previously unacceptable on-site PMR ratings;

5) The number of activities whose authority has been revoked; and

6) Include a cumulative summary, year-to date, of the significant findings.

(e) In addition, the fourth quarter report shall also include:

1) A summary of all approved less than satisfactory PMR ratings together with facts regarding restoration of purchase authority, where applicable;

2) A summary of all unacceptable ratings for the Purchase Card Program;

3) A summary list of changes in activity purchase card authority;

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4) A schedule of all planned PMRs and training classes to be conducted during the following two fiscal years;

5) A summary of changes to the NFCS activity listing which occurred during the previous year (i.e., authority, address, additions, deletions); and

6) Current PMR staffing chart, including names and grades of all staff by location program.

14. Request For Changes. Suggested changes to this instruction shall be sent to the Commander, NAVSUP (SUP 02) for consideration. The suggested change shall include a statement of the problem, the recommended solution and any necessary discussion.



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